



Capital Improvement Program



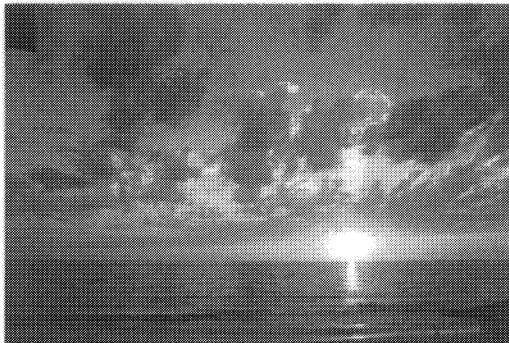
Overview

2008-2009 CAPITAL IMPROVEMENT PROGRAM

OVERVIEW

The City of Carlsbad Capital Improvement Program (CIP) is a planning document that outlines the expenditure plan for future capital projects and the corresponding revenues to pay for those expenditures. The CIP is a financial planning document, not a commitment for spending. All construction costs are estimates and are reviewed and further refined each year. Spending authorization is given only at the time the City Council formally adopts the proposed budget, and, at that time, funds are only appropriated for the following fiscal year. Information is shown in subsequent years to provide the most comprehensive snapshot of all the known future facilities the City of Carlsbad plans to construct.

The Fiscal Year 2008-09 Capital Improvement Program outlines approximately \$57.4 million in new appropriations to provide additional funding for the continuation of existing projects as well as funding for new projects. Projected revenues during the same fiscal year are estimated at \$41.1 million. Revenues are collected as building permits are issued; as the need for facilities arises, the



money is used to fund the new facilities. As the City continues to grow and develop, there is a corresponding increase in the demand for development-related services and new facilities. To ensure that the necessary infrastructure and facilities are built on a schedule that meets or exceeds this demand, the citizens of Carlsbad adopted a Growth Management Plan in 1986. The Growth Management Plan states that unless a standard level of facilities is available to meet new demands resulting from the City's growth, development cannot proceed. This Plan is the foundation for making decisions about the timing and prioritization of the capital

projects under consideration. A discussion of the City's Growth Management Plan is located at the end of this report.

The remainder of the report explains the process and the results of the City's plans for its capital facilities. A large increase in the cost of construction materials has occurred over the past 4 years, pushing up the cost of projects. This cost escalation, as well as scope or new projects, has contributed to the projected shortfall in the Planned Local Drainage Fund of \$7.6 million and in the Public Facilities Fees (PFF) Fund of \$1.5 million. City staff is currently preparing updates to the Planned Local Drainage Fee program in order to cover that deficit. It is also important to note that as the City approaches buildout there are fewer available development projects to pay those fees. While this is not an immediate problem, it is an indication that the City may not have the money to build all of the projects listed under those programs. The City will need to pursue other funding options, or make adjustments to the timing and/or scope of the affected projects.

The General Capital Construction Fund is also projected to have a deficit of approximately \$5 million at buildout. The CIP reflects a transfer of \$4.5 million of street and traffic signal projects from the GCC Fund to the Gas Tax Fund where sufficient balances are available. In addition, the City has recently received approval of grant funding for two bridge modifications in the amount of \$643,263. Since these projects were originally funded with the GCC Fund, the deficit has been completely eliminated.

Additional options are available to further balance the PFF Fund, however given that the PFF Fund is not anticipated to be in deficit until FY 2019, City staff will continue to monitor the projected deficit in PFF and bring forward options or solutions at the appropriate time.

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Proposition C was approved by the voters of Carlsbad in November 2002. It allowed the City to expend over \$1 million (per project) of general funds to help finance the following projects:

- City/Safety Training Center
- A portion of Cannon Road – East of College (Reach 4)
- Trails and Open Space
- A Swimming Pool Complex

As a result of the ballot initiative, the City set aside \$35 million for Proposition C projects. Currently, \$16.2 million has been appropriated for Alga Norte Park, \$13.7 million has been appropriated for the Joint First Responders Training Facility, and \$100,000 is allocated for design of a City Administrative Training Facility. A remaining balance of \$5.0 million is available to help fund Proposition C projects.

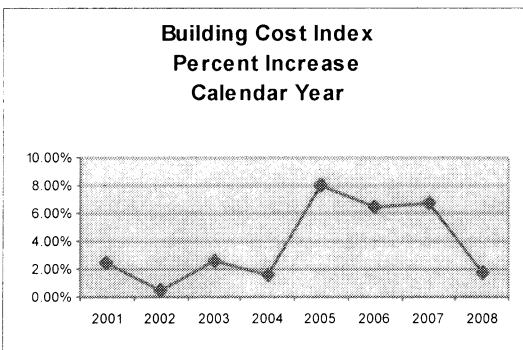
It is still anticipated that the City will meet its growth management standards. This reflects the Council's continued commitment to construct the facilities as needed to serve the current and anticipated development occurring throughout the City.

PROJECT EVALUATION

What is the definition of a CIP project? Projects that are shown in the CIP are generally defined as any construction (or reconstruction/replacement) of major infrastructure such as streets, libraries, parks, fire stations and administrative facilities, water, sewer and drainage facilities, and other facilities that are located on or in the ground. In most cases, the total construction cost of each of these assets is recorded and tracked as part of the City's inventory of capital infrastructure assets and other City-owned property.

The CIP and the Operating Budget are integral parts of the total City financing plan. Staff began the process by evaluating the construction schedules for City facilities in conjunction with the workload of the staff needed to complete the projects. Staff also met with the City Council to identify their priorities. In the FY 2008-09 CIP, there are approximately 205 continuing and new projects planned through buildout. All projects were analyzed using the criteria shown in the table. Project timing was reviewed, and an evaluation of the availability of capital construction funds as well as operating funds was then factored into the evaluation process.

Project Ranking Criteria	
1.	Is the project required to ensure the health and safety of the citizens, as the result of a legal mandate, or to maintain compliance with the City's Growth Management Plan? Are operating funds available to operate the facility?
2.	Is the project needed soon for growth management compliance?
3.	Is the project needed now for other City standards (example: ball field standards)?
4.	Does the project complete or provide part of the basic infrastructure (example: a linking road segment)?
5.	Are there other reasons to construct the project (example: Council priority, timing or funding opportunity, public demand)?



Due to the volatility in construction costs, all capital project costs were updated to reflect the latest increases in materials costs. This was done through either a detailed review of the cost components, or, in cases where the project was only in its conceptual stage, by increasing the total cost by the Engineering News Record (ENR) index. As seen in the chart, the past several years have seen large building cost increases; between 6% and 8% per year between 2005 and 2007. In 2008, corresponding to the economic

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downturn, the increase in building costs slowed down significantly, with only a 0.44% increase in the first four months of the calendar year.

CAPITAL PROJECTS

The following two sections provide information about the major capital projects. The first section focuses on projects planned in the next five years, and the second section contains an overview of the entire expenditure plan through the buildout of the City. All construction costs are estimates and only projects scheduled for FY 2008-09 are appropriated. The information shown in the future years reflects the most comprehensive snapshot of the known future facilities and their associated cost at this point in time.

THE NEXT FIVE YEARS...

PARK PROJECTS

The City Council conducted a workshop and re-prioritized several projects, including Park projects. These projects were scheduled in accordance with the City Council priority list where possible, as long as funding and other resources were available. Where funding was not available, the projects were moved out. Three park projects were affected by this prioritization: Pine Avenue Park Phase II was moved to buildout, Robertson Ranch (NE Quadrant) Park Development was moved up to FY 2013-18, and Leo Carrillo Park Phase III was moved up from buildout to FY 2010-11.

The City has planned a number of park projects over the next 5 years which will enhance the recreational opportunities for Carlsbad's residents and allow the City to meet the standards for park acreage as set forth in the growth management plan. Some of the more significant projects are listed below.

- Alga Norte Park and Aquatic Center – This park site consists of 30 acres in the Southeast Quadrant with planned amenities that include ball fields, soccer fields, picnic areas, tot lots, a skate park, a dog park, restrooms, parking facilities, and an aquatic center. The aquatic center will include a 50-meter competition pool, a 12-lane instructional pool and a therapy pool as well as a water play area with slides. A swimming pool complex was one of the projects approved by the voters through Proposition C in 2002. The total cost of the park is estimated to be \$22.1 million. The total cost of the aquatic center is estimated to be \$28.3 million. At this time, the City is reviewing the timing and phasing options for the various components of the project.



- Leo Carrillo Park – Phase III – The third phase of this historic park facility includes renovation of additional buildings, construction of additional restrooms, an arboretum area, and transformation of a barn into a community theater. The total cost is approximately \$2.9 million and design is expected to begin in FY 2009-10. In addition, in FY 2008-09 the City plans to expand the event area and construct a new patio area of approximately 2,500 square feet to provide a more attractive venue for events.

CIVIC FACILITIES

Civic facilities include a variety of facilities from which the City can offer its services to the public. Many of these are still in the preliminary design stage and will be further defined over the next several years.

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- Civic Center – The Civic Center will consolidate City administrative operations and facilities into a more centralized location. It also may include a variety of other services and recreational opportunities for citizens and visitors. Council, citizens and members of the business community have been participating in a visioning process to determine the anticipated needs for the citizens and for the City. Once the process is complete, a site will be chosen and design and construction can begin.
- Public Works Center – The construction of the Public Works Center and associated improvements include offices, shops, a yard, warehouse and parking to accommodate the Public Works Department. The cost has been escalated to reflect inflation and the revised cost is now approximately \$28.1 million.



- Fire Station No. 3 Relocation – Fire Station No. 3 is currently located at the corner of Chestnut and Catalina. As the City grows eastward, relocation of this station is needed to help ensure the five-minute response time. The new station is budgeted as a 6,200 square foot facility and the current proposed site is next to Calavera Community Park. The suitability of this location is currently under review. Total cost is projected at \$7.0 million.
- Joint First Responders Training Facility – Carlsbad's Joint First Responders Training Facility is planned for construction on a site at the Carlsbad Safety Center adjacent to Fire Station No. 5, at a total cost projection of \$24.5 million. Preliminary plans for this facility include a 25-yard and 100-yard shooting range, a 4-story fire training tower, a 2-story residential training facility, an outdoor seating pavilion, and a fire administration office building with classrooms.

STREET PROJECTS

Traffic congestion continues to be one of the top concerns among citizens. To help improve the flow of traffic throughout Carlsbad and to keep the City's streets in top condition, there are a number of street projects expected to be completed in the next five years. Some of the larger street projects include:

- Carlsbad Boulevard Encinas Creek Bridge Replacement – Complete replacement of the existing bridge, originally constructed in 1913, is planned in the next 5 years at an estimated cost of \$4.4 million.
- Poinsettia Lane Reach E - This project includes completion of the final link along Poinsettia Lane between Cassia Road east to Skimmer Court. The total cost is approximately \$13.1 million and the City expects to begin the design in FY 2011-12.
- Pavement Management – A street can last a lifetime if it is properly maintained. Applying seals and overlays when roadways are beginning to show signs of distress can minimize the more expensive repair/reactive maintenance activities. Carlsbad's proactive maintenance approach consists of the scheduled application of a seal or overlay once every seven years to efficiently maintain over 344 miles of public roadways at an annual cost of approximately \$3.6 million.
- Sidewalk Construction/Concrete Repair – In addition to the pavement management program, the City plans to fund \$3.2 million for construction of sidewalks and repair of aging concrete infrastructure.

There are several new road projects which were added as part of the revised Traffic Impact Fee program. The fee is currently still under review, and it is not certain when and how many of these projects will be constructed as currently planned. The new TIF projects scheduled in the next five years are as follows:

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- Avenida Encinas Widening – South of Palomar Airport Road
- El Camino Real/Cannon Road Interchange Improvements
- El Camino Real Widening – Tamarack to Chestnut
- Melrose Drive Dual Turn Lane to West of Palomar Airport Road
- Palomar Airport Road and College Boulevard Improvements
- Palomar Airport Road Widening at Paseo del Norte

WATER/ WASTEWATER PROJECTS

The City's water and wastewater projects are a vital component to the continued health and welfare of its citizens. Most new lines are built and paid for by developers. As the City ages, it will become necessary to repair and replace the lines that already exist, and an increase in these projects is anticipated in future years.

- Vista/Carlsbad Interceptor – Reaches 1 to 5 and 11 to 15, and the Agua Hedionda lift station are scheduled in the next five years. These projects are required to handle buildout flows and replace deteriorated pipelines. The total cost for all the projects is approximately \$45.4 million. The City of Vista's share of this cost is \$30.1 million, leaving Carlsbad responsible for funding the remaining \$15.3 million.
- Wastewater Lines – Other major wastewater lines scheduled for construction or replacement within the next five years include:
 - Beach Street Sewer Replacement
 - Buena Interceptor Sewer Improvements
 - Home Plant Lift Station Replacement
 - North Agua Hedionda Sewer Replacement
- Water Lines – Major water lines scheduled for construction or replacement within the next five years include:
 - Carlsbad Boulevard – South of Avenida Encinas
 - College Boulevard – Cannon Road to Badger Lane
 - Maerkle Transmission Main
 - Melrose Drive from Palomar Airport Road to Faraday
- Maerkle Reservoir Storage – Construction of a buried 16 million gallon water storage reservoir next to the existing reservoir is planned in order to provide additional emergency storage and meet the 10-day storage criteria based on ultimate demands. The total cost is estimated at \$14.2 million.

CAPITAL PROJECTS THROUGH BUILDOUT

The CIP for FY 2008-09 to Buildout outlines approximately 144 future projects at a cost of approximately \$451.8 million as shown on the next page.

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CIP Projects - All Future Projects		
Project Type	Percent	Total Cost
Streets/Circulation	31%	144,717,629
Civic Projects	18%	79,080,521
Wastewater	17%	75,101,675
Parks	15%	67,730,835
Water	11%	50,560,174
Drainage	5%	21,517,394
Other (loans)	3%	13,063,365
Total Future	100%	451,771,593

Park and recreational facility construction and acquisition projects total approximately \$67.7 million. Park projects planned within all quadrants of the City are listed below in addition to when the design and/or construction is expected to begin. More detail follows on specific projects not discussed earlier in this report.

PARK PROJECTS BY QUADRANT

Northwest Quadrant

Pine Avenue Park Community Building: 2018-23

Southwest Quadrant

Poinsettia Park Community Building: 2012-13

Aviara Community Building: 2018-23

Northeast Quadrant

Park Site Development: 2013-18

Southeast Quadrant

Alga Norte Park: 2008-09

Alga Norte Aquatic Center: TBD

Leo Carrillo Park Phase III: 2010-11

Citywide Park and Recreational Projects

Veteran's Memorial Park: 2018-23

Business Park Recreational Facility: 2018-23

- Aviara Community Facility – Located in the southwest quadrant of the city, this project includes the construction of an 18,000 square foot community facility that would include meeting and activity rooms, as well as park offices.
- Poinsettia Park Community Center – Phase II of this 42-acre park includes amenities such as a community facility, gymnasium, enclosed soccer field, tot lot, picnic areas, tennis complex, clubhouse, stadium court and additional parking. The cost is expected to be approximately \$14.7 million. The timing of the design is scheduled to begin in FY 2012-13 with construction in the following year.
- Veterans Memorial Park – This project is located south and east of Agua Hedionda Lagoon adjacent to the City Golf Course, The Crossings at Carlsbad. The Master Plan includes the following improvements: community leisure needs, open space interpretive area, parking and maintenance facility. Other suggested uses for this park include an amphitheater complex, sports complex, conference center and numerous other active/passive recreation amenities.



Approximately 31% of future expenditures are planned for street and traffic signal construction projects. Included in this category is construction of major roadways that will add east to west and north to south connections as well as provide additional routes to the neighboring cities of Oceanside, Vista, and San Marcos. Sections of these roads are already under construction by

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developers. Additional roadway projects include replacement of the Carlsbad Boulevard Encinas Creek Bridge, several road-widening projects, and funding for sidewalk construction, concrete repair work and pavement overlay. Currently there are 21 traffic signals identified and recommended for construction in future years.

Wastewater and drainage projects are expected to cost over \$96 million, which includes over \$35 million in sewer replacement projects. Funding is also provided for the repayment of bonds for the expansion of the Encina Wastewater Facility, and the Encina Water Pollution Control Facility projects.

Future water projects include construction of new waterlines, both potable and recycled, concurrent with new development. Some of the major areas in which these installations or upgrades are planned include segments of College Boulevard and El Fuerte, and along El Camino Real. Replacement of existing potable and recycled waterlines is also included in this category, and additional reservoirs are planned to increase storage for ultimate demands. In addition, \$27.6 million is planned for known replacement projects.

Construction of Civic facilities such as libraries, administrative facilities, police and fire facilities are currently estimated at \$79 million of the total planned capital expenditures to buildout.

Specific timing and cost estimates for all capital projects are identified in the Detail Schedule of Capital Projects (FY 2008-09 to Buildout) following this narrative.

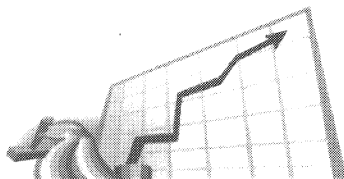
UNFUNDED PROJECTS

There are several projects identified in the CIP for which there is no identifiable funding source, and in some cases where only partial funding has been identified. The City will investigate obtaining possible outside funding such as Federal and State grants, loans, or other financing sources. Once funding is identified for these projects the project costs will have to be reviewed and updated to reflect actual cost estimates. The unfunded projects do not receive annual inflationary increases. These projects are:

- Business Park Recreational Facility (partial)
- Cannon Lake Park (6.7 Acres)
- *Cannon Road - REACH 4B – College/Cannon to City Limits (80%)
- *Carlsbad Boulevard Mountain View to Northerly City Limits (80%)
- *Carlsbad Boulevard/Palomar Airport Road Improvements (80%)
- Hosp Grove/Buena Vista Lagoon Improvements
- Palomar Airport Road Widening and Bridge Reconstruction
- Pine Ave. Park – Madison Property
- Pine Ave. Park – Restrooms/Storage
- Robertson Ranch (NE Quadrant) Park Development

(*) These projects are in the revised TIF fee program which is planned to generate enough revenue to pay for 20% of the total cost. The remaining 80% is unfunded.

FUTURE GROWTH AND DEVELOPMENT



There are a variety of revenues that are used to fund the capital projects. In order to estimate future revenues from development, several assumptions about the rate and type of future development need to be made. These assumptions can change from year-to-year and correlate with the economic climate.

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Every year, City staff evaluates all existing and future private development projects and compares this information to the buildout capacity of the City using adopted general plans. Information about existing development activity combined with estimates of how remaining net developable land might develop are then summarized to prepare future projections about when and where residential and non-residential development will occur. Finance Department staff prepare cash flow schedules using current fund balances combined with future estimated fees paid by those developments, then compares the available funds to the expenditure plan to ensure that funding will be sufficient for construction of the capital projects as planned in the CIP. In addition to evaluating whether or not capital funds are sufficient, significant operating cost impacts and availability of staff resources are also considered to evaluate the timing of projects. Where funding discrepancies occur, alternative financing methods and project timing are again evaluated and recommendations are made to resolve the discrepancies.

Residential development is expected to taper off in the future. The number of annual building permits issued is projected to decline compared to the previous five-year period. The development schedules of the remaining vacant parcels are driving the timing of the future units. There are approximately 4,570 units remaining before the City is predominantly built out.

Residential development for FY 2007-08 is projected at 255 units with an average about 280 units per year over the next five years. This is compared to an average of over 860 units per year for the previous five-year period. The decline, particularly in the next 5 years, is due to the current economic downturn and the dwindling supply of developable land.

The amount of non-residential development is projected to also decline slightly over the next five years. The average annual square feet of non-residential development for the past 5 years was about 1,033,000. For FY 2007-08, the estimate is for 1,300,000 square feet, and the average annual development for the next 5-year period is approximately 509,000 square feet per year. Projects include several neighborhood commercial/retail developments located in or near the areas where most of the residential development has occurred or where new development is planned over the next several years. In the southeast quadrant, commercial projects include retail and restaurants, a theater, and a daycare facility and church. Sunny Creek Plaza is a planned commercial development located east of El Camino Real at College Boulevard next to the Sunny Creek residential neighborhood, and the Bressi Ranch area will also have a commercial development. Other commercial developments are planned at Calavera Hills and at Poinsettia Shores. Industrial development consists of various new office and industrial projects, as well as expansion of existing projects at Kelly Corporate Center, Gemological Institute of America and Legoland. Development estimates provide the data and basis for estimating future fee revenues, which are calculated by multiplying each applicable development fee by the estimated number of dwelling units and/or square feet of construction expected during each year. The following table shows the number of residential units and non-residential square feet of development used in calculating estimated revenues for FY 2008-09 and subsequent years to buildout.

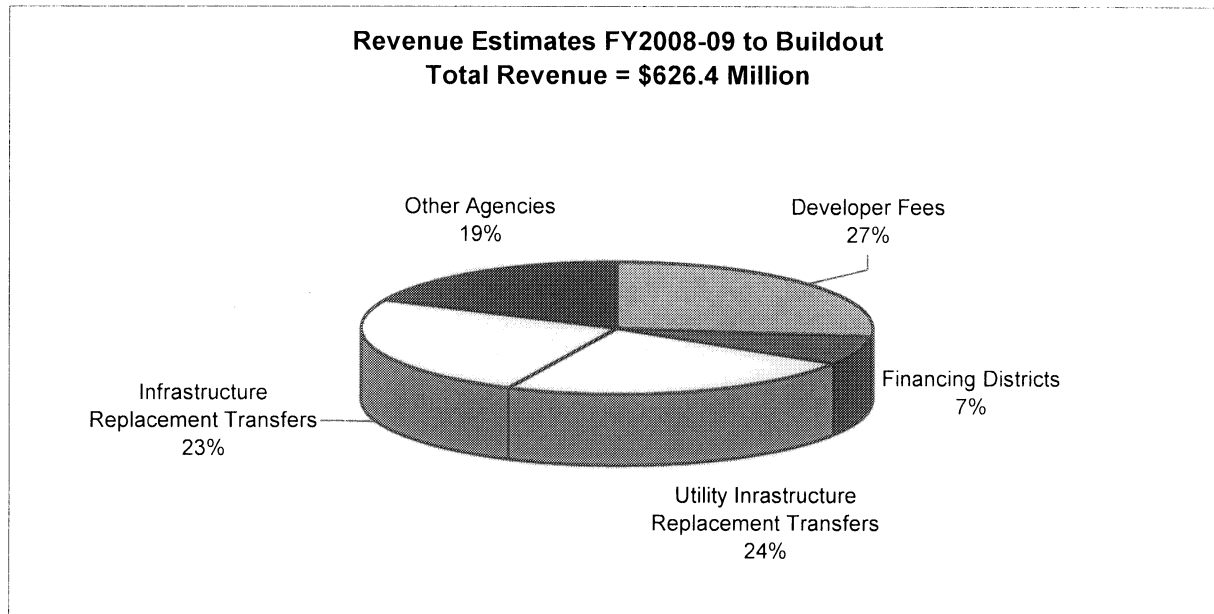
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Projected Development Residential and Non-Residential Construction

Year	Residential Units	Non-Residential Square Feet
2007-08 current	255	1,291,597
2008-2009	193	424,174
2009-2010	368	499,851
2010-2011	264	541,203
2011-2012	286	533,248
2012-2013	296	544,692
Years 6-10	1,970	4,639,302
Years 11-buildout	1,191	2,617,746
Total Future	4,568	9,800,216

REVENUES

Revenues for Capital Projects from now until buildout are estimated to be approximately \$626.4 million and are segregated into five major categories: (1) fees generated by development in Carlsbad, (2) special district fees and taxes (Community Facilities Districts and Bridge and Thoroughfare Benefit Districts), (3) Water and Wastewater Replacement funds, (4) Infrastructure Replacement funds (other than wastewater and water), and (5) Other sources including grants, bond issues, and contributions from other agencies.



Approximately 27% of all capital revenue is received as a result of development, and is dependent upon assumptions made about the City's annual growth in dwelling units and commercial/industrial square feet. Development revenues include Public Facilities Fees (PFF), Traffic Impact Fees (TIF), Park-In-Lieu Fees (PIL), Planned Local Drainage (PLD) Fees, Water Connection Fees (MFF), and Sewer Connection charges. Revenue from special districts, such as Community Facilities Districts (CFD) and Bridge and Thoroughfare Benefit Districts (BTD) comprise 7% of the total. Water and Wastewater replacement revenues generated by user fees equal approximately 23% of total revenues, and are used to pay for replacement of existing water and sewer facilities. Infrastructure replacement revenues, equal to 24%, are transfers from the City's General Fund

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which are being set aside to pay for replacement of major capital facilities other than wastewater and water facilities. The remaining 19% consists of revenues from other agencies and include federal and state grants, the county sales tax program (TransNet), redevelopment agency revenue, and contributions from cities and other agencies.

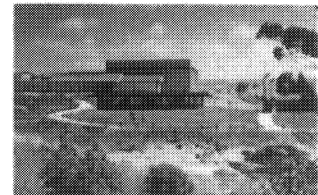
CALCULATION OF FUTURE FEES

The revenue projections of the Capital Improvement Program reflect the growth assumptions identified in the previous section. The following information delineates how those assumptions were applied to estimate future development revenues. The mix of multi-family and single-family residential units is assumed to be 35% and 65% respectively and reflects the anticipated mix of residential development for each Local Facilities Management Zone. The building permit valuation used for computing Public Facilities Fees is \$178,633 per multi-family dwelling unit, and \$315,200 per single-family dwelling unit. A building permit valuation of \$42 per square foot of construction is used to calculate non-residential Public Facilities Fees.

In order to calculate estimated revenues for Traffic Impact Fees (TIF), the number of average daily trips was computed for each type of development use. A multi-family residential dwelling unit is assigned eight trips per day and a single-family unit is assigned ten trips per day. The trips-per-day value for commercial and industrial buildings are 40 and 8 trips per 1,000 square feet of development, respectively, although the actual volume of trips generated by commercial/industrial building can vary widely depending on the ultimate land use.

CFD #1 is a citywide district established to finance various civic facilities required under the City's Growth Management Plan. CFD #3 was established for the Faraday Avenue and Melrose Drive Extensions east of El Camino Real, as well as the extension of El Fuerte. This project encompasses the extension of Melrose Drive from Palomar Airport Road to the Carlsbad/Vista city limits and the extension of Faraday Avenue from Orion Way to Melrose Drive in Vista.

Park-in-Lieu Fees are collected for the purchase and development of parkland within each quadrant of the City, and the fees are based on the acquisition cost of parkland. Projects in the CIP funded with Park-in-Lieu Fees include future park site acquisition, development and restoration.



There are two existing Bridge and Thoroughfare Fee Districts (BTD), which were formed by property owners to finance specific road construction projects located within each of the district boundaries. Poinsettia Lane - Aviara Parkway (BTD No. 2) was formed to finance the construction of Poinsettia Lane between Aviara Parkway and El Camino Real and Aviara Parkway between Palomar Airport Road and Poinsettia Lane. BTD No. 3 (Cannon Road West) was formed to fund portions of Cannon Road from Interstate 5 to El Camino Real. Although construction of this project is complete, revenues collected from future development within the district will be used to repay an advance that provided interim funding to complete the project.

SUMMARY

The FY 2008-09 to Buildout CIP is being driven by the City's commitment to ensure that facilities are available to service the developing areas as well as the current residents. Carlsbad's philosophy has been to build quality capital facilities, which meet, and at times exceed, Growth Management standards. Phasing projects over a period of years to match funding availability for construction and operations is often used to meet the needs of growth management. The FY 2008-09 to Buildout Capital Improvement Program reflects the commitment of Carlsbad's City Council and staff to continue providing its residents with a better quality of life.

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GROWTH MANAGEMENT PLAN

The Growth Management Plan was developed and voted into law by the citizens of Carlsbad in 1986. The plan was established to manage development within the City by linking residential, commercial, and industrial development directly to standards for availability of public services and facilities.

The Growth Management Plan has established precise standards for eleven public facilities. Standards must be met at all times as growth occurs. Facilities for which standards have been established are as follows:

- | | |
|------------------------|--------------------|
| - City Administrative | - Library |
| - Wastewater Treatment | - Parks |
| - Circulation | - Drainage |
| - Fire | - Open Space |
| - Schools | - Sewer Collection |
| - Water Distribution | |

The plan requires that appropriate public facilities be available, in conformance with the adopted performance standards, as development occurs. Unless all of the eleven public facility standards have been met, no new development can occur.

The Growth Management Plan impacts both the Operating Budget and the Capital Improvement Program. The detailed level of planning required by Growth Management has allowed Carlsbad's Capital Improvement Program to anticipate the funding needed for capital improvements through buildout of the City. The timing of construction of facilities is governed by the rate of development and the eleven performance standards. New public facilities often require additional staffing and other resources, which affects the Operating Budget. Facilities such as community centers, parks, and fire stations have been constructed and opened to the public under this program.

The Capital Improvement Program has been designed to specifically address areas where new or expanded facilities will be needed to maintain compliance with the adopted performance standards. With the adoption of the FY 2008-09 CIP, compliance with the Growth Management Plan is continued.

**CITY OF CARLSBAD
CAPITAL FUNDS
PROJECTED FUND BALANCES FOR FY 2007-2008**

FUND	JULY 1, 2007 UNRESERVED BALANCE	ESTIMATED REVENUES	ESTIMATED EXPENDITURES	ESTIMATED DEBT SERVICE LOANS & OTHER	JUNE 30, 2008 PROJECTED BALANCE
BTD#2 - POINSETTIA LANE/AVIARA PKWY	9,762,023	551,910	0	0	10,313,933
BTD#3 - CANNON ROAD WEST	996,313	210,928	0	37,808	1,169,433
CFD #1 - CITYWIDE	54,030,463	4,760,165	3,443,912	284,942	55,061,774
GAS TAX	5,711,378	1,826,050	1,988,885	277,698	5,270,845
GENERAL CAPITAL CONST.	46,089,916	10,665,557	4,547,016	0	52,208,457
GOLF COURSE	5,106,076	3,229,295	7,909,257	166,103	260,011
GRANTS - FEDERAL	(6,973)	555,358	333,816	0	214,569
GRANTS - STATE	0	0	0	0	0
INFRASTRUCTURE REPLACEMENT	28,755,856	9,626,913	334,010	0	38,048,759
OTHER	18,149,949	16,446,107	16,053,583	464,488	18,077,985
PARK FEE ZONES 5,13,16	1,673,548	329,896	0	0	2,003,444
PARK-IN-LIEU NE	4,505,469	497,654	282	0	5,002,841
PARK-IN-LIEU NW	870,225	257,954	0	0	1,128,179
PARK-IN-LIEU SE	982,208	105,317	0	0	1,087,525
PARK-IN-LIEU SW	1,036,181	78,673	558,811	0	556,043
PLANNED LOCAL DRAIN'G	10,357,833	341,663	452,198	988,805	9,258,493
PUBLIC FACILITIES FEE	46,757,835	7,001,400	6,815,176	7,100,000	39,844,059
RANCHO SANTA FE ROAD PROJECT	13,112,003	7,793,976	5,325,970	7,317	15,572,692
REDEVELOPMENT VILLAGE	989,184	715,000	841,341	0	862,843
REDEVELOPMENT SCCRDA	324,496	250,000	73,082	0	501,414
SEWER BENEFIT AREAS	5,025,229	671,398	15,035	2,000,000	3,681,592
SEWER CONNECTION	26,921,846	1,895,213	3,340,815	1,675,240	23,801,004
SEWER REPLACEMENT	22,984,519	6,485,131	1,657,133	350,600	27,461,917
TDA	95,710	3,255	95,248	0	3,717
TRAFFIC IMPACT FEE	11,555,584	1,720,262	797,951	0	12,477,895
TRANSNET/BIKE	63,218	82,903	37,509	0	108,612
TRANSNET/HIGHWAY	1,233,441	57,519	854	2,301	1,287,805
TRANSNET/LOCAL	6,364,996	3,677,000	2,900,277	35,843	7,105,876
TRANSPORTATION FUNDING	318,840	14,633	0	223,464	110,009
WATER - MAJOR FACILITY	18,400,924	2,127,879	638,027	0	19,890,776
WATER - RECYCLED WATER	1,290,091	0	86,461	0	1,203,630
WATER - REPLACEMENT	34,802,449	19,484,723	6,581,512	0	47,705,660
TOTAL	378,260,830	101,463,733	64,828,161	13,614,609	401,281,793

**CITY OF CARLSBAD
CAPITAL FUNDS
PROJECTED FUND BALANCES FOR FY 2008-2009**

FUND	JULY 1, 2008 PROJECTED BALANCE	ESTIMATED REVENUES	6/30/2008 CONTINUING APPROPR.	7/1/2008 NEW APPROPR.	2008-2009 TOTAL CIP APPROPR.	JUNE 30, 2009 PROJECTED BALANCE
BTD#2 - POINSETTIA LANE/AVIARA PKWY	10,313,933	167,310	349,302	2,643,344	2,992,646	7,488,597
BTD#3 - CANNON ROAD WEST	1,169,433	67,500	0	1,000,000	1,000,000	236,933
CFD #1 - CITYWIDE	55,061,774	1,513,792	1,645,972	110,000	1,755,972	54,819,594
GAS TAX	5,270,845	5,264,027	2,214,727	1,839,055	4,053,782	6,481,090
GENERAL CAPITAL CONST.	52,208,457	1,797,021	49,233,262	4,625,942	53,859,204	146,274
GOLF COURSE	260,011	0	260,011	0	260,011	0
GRANTS - FEDERAL	214,569	2,617,005	521,291	643,263	1,164,554	1,667,020
GRANTS - STATE	0	0	0	0	0	0
INFRASTRUCTURE REPLACEMENT	38,048,759	7,800,000	2,725,350	988,000	3,713,350	42,135,409
OTHER	18,077,985	0	14,549,039	42,798	14,591,837	3,486,148
PARK FEE ZONES 5,13,16	2,003,444	41,612	0	0	0	2,045,056
PARK-IN-LIEU NE	5,002,841	384,898	4,209,518	0	4,209,518	1,178,221
PARK-IN-LIEU NW	1,128,179	149,905	0	1,180,000	1,180,000	98,085
PARK-IN-LIEU SE	1,087,525	37,421	20,550	246,450	267,000	857,945
PARK-IN-LIEU SW	556,043	122,953	219,100	0	219,100	459,896
PLANNED LOCAL DRAIN'G	9,258,493	245,166	2,711,514	2,038,921	4,750,435	4,753,223
PUBLIC FACILITIES FEE	39,844,059	1,263,513	28,285,160	903,185	29,188,345	11,919,227
RANCHO SANTA FE ROAD PROJECT	15,572,692	0	1,723,846	0	1,723,846	13,848,846
REDEVELOPMENT VILLAGE	862,843	100,000	426,533	0	426,533	536,310
REDEVELOPMENT SCCRDA	501,414	0	245,104	0	245,104	256,310
SEWER BENEFIT AREAS	3,681,592	289,167	0	3,270,000	3,270,000	700,759
SEWER CONNECTION	23,801,004	327,295	10,413,902	6,625,170	17,039,072	7,089,228
SEWER REPLACEMENT	27,461,917	6,910,289	10,979,447	7,301,657	18,281,104	16,091,102
TDA	3,717	0	0	0	0	3,717
TRAFFIC IMPACT FEE	12,477,895	1,234,379	3,083,769	7,310,856	10,394,625	3,317,649
TRANSNET/BIKE	108,612	0	87,176	0	87,176	21,436
TRANSNET/HIGHWAY	1,287,805	0	963,166	0	963,166	324,639
TRANSNET/LOCAL	7,105,876	4,110,529	569,419	3,615,000	4,184,419	7,031,986
TRANSPORTATION FUNDING	110,009	975,000	0	0	0	1,085,009
WATER - MAJOR FACILITY	19,890,776	992,284	1,316,847	4,462,250	5,779,097	15,103,963
WATER - RECYCLED WATER	1,203,630	0	293,176	905,000	1,198,176	5,454
WATER - REPLACEMENT	47,705,660	4,705,445	7,472,621	7,637,000	15,109,621	37,301,484
TOTAL	401,281,793	41,116,511	144,519,802	57,387,891	201,907,693	240,490,610

**CITY OF CARLSBAD
CAPITAL FUNDS
REVENUES ACTUAL AND ESTIMATED**

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
	ACTUAL	ACTUAL	ACTUAL	ESTIMATED	ESTIMATED
FUND	REVENUE	REVENUE	REVENUE	REVENUE	REVENUE
BTD#2 - POINSETTIA LANE/AVIARA PKWY	1,998,341	1,376,967	1,464,639	551,910	167,310
BTD#3 - CANNON ROAD WEST	44,911	94,297	294,705	210,928	67,500
CFD #1 - CITYWIDE	7,100,722	4,595,150	5,211,545	4,760,165	1,513,792
GAS TAX	1,955,691	1,974,975	2,081,059	1,826,050	5,264,027
GENERAL CAPITAL CONST.	2,459,316	2,699,589	4,267,485	10,665,557	1,797,021
GOLF COURSE	354,593	33,308,251	10,081,550	3,229,295	0
GRANTS - FEDERAL	667,538	1,127,704	174,071	555,358	2,617,005
GRANTS - STATE	1,852	429,683	713,518	0	0
INFRASTRUCTURE REPLACEMENT	4,405,430	4,787,770	8,638,352	9,626,913	7,800,000
OTHER	29,398,816	14,888,674	1,312,538	16,446,107	0
PARK FEE ZONES 5,13,16	99,420	303,004	475,682	329,896	41,612
PARK-IN-LIEU NE	48,251	216,055	(156,828)	497,654	384,898
PARK-IN-LIEU NW	50,048	577,594	168,477	257,954	149,905
PARK-IN-LIEU SE	1,186,959	342,046	185,155	105,317	37,421
PARK-IN-LIEU SW	462,471	180,662	213,446	78,673	122,953
PLANNED LOCAL DRAIN'G	1,711,440	974,397	1,191,821	341,663	245,166
PUBLIC FACILITIES FEE	10,023,947	7,177,940	7,127,851	7,001,400	1,263,513
RANCHO SANTA FE ROAD PROJECT	5,191,343	5,393,508	4,927,526	7,793,976	0
REDEVELOPMENT VILLAGE	1,445,277	1,058,550	1,102,804	715,000	100,000
REDEVELOPMENT SCCRDA	584,004	74,118	402,109	250,000	0
SEWER BENEFIT AREAS	801,202	362,151	844,640	671,398	289,167
SEWER CONNECTION	2,416,264	1,672,308	2,647,425	1,895,213	327,295
SEWER REPLACEMENT	1,641,162	5,271,251	4,747,787	6,485,131	6,910,289
TDA	5,325	136,933	100,462	3,255	0
TRAFFIC IMPACT FEE	2,014,264	1,407,742	1,902,317	1,720,262	1,234,379
TRANSNET/BIKE	2,797	65,859	17,175	82,903	0
TRANSNET/HIGHWAY	47,046	28,618	64,774	57,519	0
TRANSNET/LOCAL	2,873,656	2,320,925	5,249,511	3,677,000	4,110,529
TRANSPORTATION FUNDING	8,576	6,935	16,615	14,633	975,000
WATER - MAJOR FACILITY	5,164,198	3,386,838	2,717,428	2,127,879	992,284
WATER - RECYCLED WATER	4,678,829	10,878,643	6,310,853	0	0
WATER - REPLACEMENT	1,393,946	5,495,772	3,937,486	19,484,723	4,705,445
TOTAL CAPITAL FUNDS	90,237,635	112,614,909	78,433,978	101,463,733	41,116,511

**CITY OF CARLSBAD
CAPITAL FUNDS
BUDGET EXPENDITURE SCHEDULE**

FUND	2005-2006 ACTUAL	2006-2007 ACTUAL	2007-2008 ESTIMATED	2007-2008 CONTINUING APPROPR.	2008-2009 NEW APPROPR.	2008-2009 TOTAL CIP APPROPR.
BTD#2 - POINSETTIA LANE/AVIARA PKWY	116	0	0	349,302	2,643,344	2,992,646
BTD#3 - CANNON ROAD WEST	20,312	441,205	37,808	0	1,000,000	1,000,000
CFD #1 - CITYWIDE	188,281	1,061,255	3,728,854	1,645,972	110,000	1,755,972
GAS TAX	2,735,687	3,069,941	2,266,583	2,214,727	1,839,055	4,053,782
GENERAL CAPITAL CONST.	2,650,728	2,709,462	4,547,016	49,233,262	4,625,942	53,859,204
GOLF COURSE	26,426,592	24,610,889	8,075,360	260,011	0	260,011
GRANTS - FEDERAL	1,475,430	(166,682)	333,816	521,291	643,263	1,164,554
GRANTS - STATE	445,294	728,123	0	0	0	0
INFRASTRUCTURE REPLACEMENT	1,459,679	1,786,327	334,010	2,725,350	988,000	3,713,350
OTHER	19,972,734	10,185,739	16,518,071	14,549,039	42,798	14,591,837
PARK FEE ZONES 5,13,16	0	0	0	0	0	0
PARK-IN-LIEU NE	216,470	689,594	282	4,209,518	0	4,209,518
PARK-IN-LIEU NW	0	462,876	0	0	1,180,000	1,180,000
PARK-IN-LIEU SE	0	0	0	20,550	246,450	267,000
PARK-IN-LIEU SW	0	0	558,811	219,100	0	219,100
PLANNED LOCAL DRAIN'G	1,230,192	467,751	1,441,003	2,711,514	2,038,921	4,750,435
PUBLIC FACILITIES FEE	7,653,585	1,422,530	13,915,176	28,285,160	903,185	29,188,345
RANCHO SANTA FE ROAD PROJECT	7,944,216	2,735,145	5,333,287	1,723,846	0	1,723,846
REDEVELOPMENT VILLAGE	24,576	264,594	841,341	426,533	0	426,533
REDEVELOPMENT SCCRDA	225,217	17,631	73,082	245,104	0	245,104
SEWER BENEFIT AREAS	629,637	5,831	2,015,035	0	3,270,000	3,270,000
SEWER CONNECTION	1,244,997	4,739,333	5,016,055	10,413,902	6,625,170	17,039,072
SEWER REPLACEMENT	3,927,937	3,836,803	2,007,733	10,979,447	7,301,657	18,281,104
TDA	136,933	4,751	95,248	0	0	0
TRAFFIC IMPACT FEE	509,411	1,463,883	797,951	3,083,769	7,310,856	10,394,625
TRANSNET/BIKE	32,720	181,337	37,509	87,176	0	87,176
TRANSNET/HIGHWAY	76,019	16,035	3,155	963,166	0	963,166
TRANSNET/LOCAL	4,668,118	3,830,558	2,936,120	569,419	3,615,000	4,184,419
TRANSPORTATION FUNDING	4,905	-	223,464	0	0	0
WATER - MAJOR FACILITY	501,035	2,243,730	638,027	1,316,847	4,462,250	5,779,097
WATER - RECYCLED WATER	10,004,001	2,857,408	86,461	293,176	905,000	1,198,176
WATER - REPLACEMENT	3,347,918	2,810,850	6,581,512	7,472,621	7,637,000	15,109,621
TOTAL CAPITAL FUNDS	97,752,740	72,476,899	78,442,770	144,519,802	57,387,891	201,907,693



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city!*